



U.S. Army NAF Retirement and 401(k) Savings Plan Remittance Instructions as of 1 October 2004

U.S. Army NAF Retirement Plan

Deduct the following percentages from gross pay subject to Federal Income Tax. Do not include LQA (Living Quarters Allowance). Effective 1 Jan 97, do not include lump sum annual leave, severance pay, retention, relocation, or recruitment bonuses as part of gross pay for retirement contribution calculations:

Employee Contributions						Employer Contributions					
1987	3%	1992	2%	1997	2%	1987	3%	1992	2%	1996	6.5%
1988	3%	1993	2%	1998	2%	1988	3%	1993	2%	10/1/02	5.5%
1989	3%	1994	2%	1999	2%	1989	3%	thru 9/30/94	2%	1997	6.5%
1990	3%	1995	2%	2000	2%	1990	3%	10/1/94-12/31/94	6.5%	10/1/03	6.5%
1991	2%	1996	2%	2001	2%	1991	2%	1995	6.5%	10/1/04	6.5%
				2002	2%					1998	6.5%
				2003	2%					1999	6.5%
				2004	2%					10/1/00	5.5%
										10/1/01	5.5%

Effective 1 Jan 98, participants of the USANAF Retirement Plan are eligible to purchase military service credit up to 5 years. Appropriated fund participants must deal directly with the Army NAF Benefits Office for requests and purchases of military service.

U.S. Army NAF 401(k) Savings Plan

The savings plan was established on 1 Jan 92. Based on the employee's election, deduct the following percentages from gross pay subject to Federal Income Tax. Do not include LQA. Effective 1 Jan 97, do not include lump sum annual leave, retention, relocation, recruitment bonuses or severance pay as part of gross pay for 401(k) savings plan contribution calculations:

Employee Elective Deferral	Employer Match
1%	1.0%
2%	2.0%
3%	2.5%
4-100%	3.0%

Effective 1/1/02 up to 100% of eligible pay less required deductions (taxes, premiums, retirement contributions, social security, garnishments, allotments etc)

The I.R.S. maximum annual employee contribution to 401(k) savings plans is listed below:

1992	\$8,475.00	1995	\$9,240.00	1998	\$10,000.00	2001	\$10,500	2004	\$13,000
1993	\$8,994.00	1996	\$9,500.00	1999	\$10,000.00	2002	\$11,000	2005	\$14,000
1994	\$9,240.00	1997	\$9,500.00	2000	\$10,500.00	2003	\$12,000		

Over 50 Catch-Up Contributions-Employees over age 50 are permitted to put in \$2000 above \$12000 in calendar year 2003, for a total of \$14000. The 2004 catch up amt is \$3000 totaling \$16,000 max. **The 2005 over 50 catch up amount totals \$18,000.** Employees should complete DA form 7426 and increase their deferral percentage in kind, to reach the additional IRS maximum allowable, if they desire this option. Visit www.nafbenefits.com 401k section. Click 401k Proj. for calculator.

Timeliness of remittance is limited to 3 days following the end of the official pay day of the submitting payroll office. Please send original bi-weekly reports. The calculation worksheet must be submitted on hardcopy report with a U.S. Treasury check to the reporting location at: NAF Financial Services, ATTN: Retirement Portability Desk (Ms. Kay Allen), P.O. Box 6111, Texarkana, Texas 75505-6111, DSN 829-3720. The Army NAF Employee Benefits Office address is P.O. Box 107, Arlington, VA 22210-0107. Toll free number in the U.S. 1-877-384-2340, commercial 703-681-7261 and DSN 761-7261. Fax 7369. POC is Patty Simpson or Larry Cochran at 407-824-1026.

Employees enrolling for 401k withholdings greater than 22% require manual processing pending DCPS reprogramming. If assistance is needed in processing these requests, contact Larry Cochran at (407) 824-1026 or Patty Simpson, DSN 761-7261,